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FISCAL IMPACT REPORT



SPONSOR: Begaye DATE TYPED: 1-28-02 HB 125

SHORT TITLE: Financing From Industrial Revenue Bonds SB _____

ANALYST: Neel

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY02	FY03			
	Unaffected	Unaffected	Recurring	General Fund
	(\$0.1)	(\$0.1)	Recurring	Local Governments

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC files
Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

House Bill 125 amends the Industrial Revenue Bond Act and the County Industrial Revenue Bond Act to allow 501(c) (3) corporations to qualify for financing from municipalities or counties. HB 125 also expands eligibility for loans under the Hospital Equipment Loan Council to include health facilities licensed by the Department of Health that “(1) provide health related services, assisted living support or long term; (2) provide health related research; and (3) are properly accredited or certified and eligible to receive medicare or medicaid reimbursement for all or part of its activities providing mental health services...”

FISCAL IMPLICATIONS

According to TRD, if charitable organizations are awarded IRB's, property then the bonds used to acquire the property would be excluded from the property tax base. This would lower property tax revenue and/or increase property tax rates. The extent of the impacts would depend on the amount of property financed with the bonds. Although the IRB's would also make the use of the property

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exempt from the gross receipts and compensating tax, there is no new loss of State General Fund revenue because 501(c)(3) entities are already exempt from these taxes.

Effective Date – Not determined

SN/njw